Southern Health
NHS Foundation Trust

SH NCP 62

Board Risk Appetite Statement

Version: 4

Summary:	This document establishes the key areas of risk and guidance on the level of risk the Board is prepared accept in the delivery and operation of our healthcare provision.	
Keywords:	Risk, risk appetite, risk-taking, risk appetite theme, tolerance, threshold, statement	
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Version Control

Change Record

Date	Author	Version	Page	Reason for Change
Apr 2015		1		Extend review date
Sep 2016		2	4	Annual review no content change required. Text error page 4 section 2 removed. Sponsor amended to reflect change in Executive Director Lead. Review date extended to September 2016
Aug 2016		3	4-5 6	Wording changes within appetite statements Risks outside tolerance are now escalated, rather than termed unacceptable Changes to the scoring criteria, specifically the patient harm theme and inclusion of likelihood
Nov 2016	Ryan Taylor, Interim Head of Incident Management & Patient Safety	3	All	Minor changes throughout in line with the feedback from Trust Board, particularly in relation to the use of the term risk tolerance
June 2018	Jake Pursaill, Risk Manager	4	2-4	Addition of scoring requirements for escalation, and re-write of key groups to match risk type terminology. Addition of the risk governance map as appendix 1.
April 2019	Jake Pursaill, Risk Manager	4	All	Amended errors throughout.
18/6/19				Review date extended from July to September 2019

Reviewers/contributors

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Board Risk Appetite Statement

1. Overview

The aim of Southern Health Foundation Trust is to provide high quality, effective and safe services which improve the health, wellbeing and independence of the population it serves. The Board recognises risk is inherent in the provision of healthcare and its services, and therefore a defined approach is necessary to identify risk context, ensuring that the Trust understands and is aware of the risks it's prepared to accept in the pursuit of the delivery of the Trust's aims and objectives. This Statement sets out the Board's strategic approach to risk-taking by defining its boundaries and risk tolerance thresholds and supports delivery of the Trust's Risk Management Strategy and Policy.

2. Risk Appetite Statement

Clinical Effectiveness

- We will provide high quality services to our patients and not accept risks that could limit our ability to fulfil this objective. This key value is a driver that directly supports our core objective to improve our patients' care outcomes, and that of their family and friends, by providing personalised and responsive services.

- We are strongly averse to risks that could result in poor quality care or unacceptable clinical risk, non-compliance with standards or poor clinical or professional practice.

Category	Board Committee / Sub-committee **(12+)**	Divisional Governance **(9+)**
Clinical & Care Outcomes	Risks relating to clinical & care outcomes scoring 12+ will be reported to the Quality & Safety Committee.	All clinical & care outcomes risks scoring 9+ will be reviewed at the appropriate monthly divisional governance meeting.

Patient Safety

- We will hold patient safety in the highest regard and are strongly averse to any risk that may jeopardise it. This key value is a driver that directly supports our core objective to improve the safety of our services to patients.

- It can be in the best interests of patients to accept some risk in order to achieve the best outcomes from individual patient care, treatment and therapeutic goals. We accept this and support our staff to work in collaboration with people who use our services to develop appropriate and safe care plans based on assessment of need and clinical risk.

Category	Board Committee / Sub-committee **(9+)**	Divisional Governance **(6+)**
Patient Safety	Risks relating to patient safety scoring 9+ will be reported to the Quality & Safety Committee.	All patient safety risks scoring 6+ will be reviewed at the appropriate monthly divisional governance meeting.

Finance

- We will strive to deliver our services within the budgets modelled in our financial plans. However, budgetary constraints will be exceeded if required to mitigate risks to patient safety or quality of care. All such financial responses will ensure optimal value for money.

Category	Board Committee / Sub-committee **(15+)**	Divisional Governance **(12+)**
Finance	Risks relating to finance scoring 15+ will be reported to the Finance & Performance Committee	All finance risks scoring 12+ will be reviewed at the appropriate monthly divisional governance meeting.

Patient and Service User Experience

- We will accept risks to patient and service user experience if they are consistent with the achievement of patient safety and quality improvements.

- We will only accept service redesign and divestment risks in the services we are commissioned to deliver if patient safety, quality care and service improvements are maintained.

Category	Board Committee / Sub-committee **(12+)**	Divisional Governance **(9+)**
Patient and Service User Experience	Risks relating to patient experience, engagement, or stakeholder relationships scoring 12+ will be reported to the Quality & Safety Committee	All risks relating to patient experience, engagement, or stakeholder relationships scoring 9+ will be reviewed at the appropriate monthly divisional governance meeting.

Workforce

- We are committed to recruit and retain staff that meet the high quality standards of the organisation and will provide on-going training to ensure all staff reach their full potential. There are few circumstances where we would accept risks associated with the delivery of this aim.

- We will not accept risks associated with unprofessional conduct, bullying, or an individual's competence to perform roles or tasks safely and, nor any incidents or circumstances which may compromise the safety of any staff members and patients, or contradict our values.

- For patient safety, quality care, service delivery and financial sustainability reasons we are prepared to consider risks associated with the implementation of non-NHS standard terms and conditions of employment, innovative resourcing, and staff development models.

- We are strongly adverse to any risk that could result in staff being non-compliance with legislation, or any frameworks provided by professional bodies.

Category	Board Committee / Sub-committee **(12+)**	Divisional Governance **(9+)**
Workforce	Risks relating to workforce scoring 12+ will be reported to the Workforce & Organisational Development Sub-Committee	All workforce risks scoring 9+ will be reviewed at the appropriate monthly divisional governance meeting.

Infrastructure

- We are committed to providing patient care in a therapeutic environment.

- We will provide staff with appropriate space and supporting infrastructure in which to perform their duties.

Category	Board Committee / Sub-committee **(12+)**	Divisional Governance **(9+)**
Infrastructure	Risks relating to infrastructure scoring 12+ will be reported to the Quality & Safety Committee.	All infrastructure risks scoring 9+ will be reviewed at the appropriate monthly divisional governance meeting.

3. Risk Tolerance

Risk 'tolerance' is the minimum and maximum risk the Trust is willing to accept as reflected in the risk appetite themes above.

Detailed thresholds are articulated in the Risk Management Strategy & Policy (and within Ulysses Risk Management System) by the Trust and are dependent on the type of risk, against which all identified risks are assessed for their likelihood and impact using a risk scoring matrix. This scoring matrix is provided as appendix 2.

The Executive Risk & Assurance Group will oversee all risks that score outside the risk appetite monthly and has established a rolling programme where each division (including Corporate Services) will present their full risk registers.

The Trust Board have agreed that all risks with total risk score of "12" will require executive oversight by the Executive Risk & Assurance Group. The escalation process for risk is provided as appendix 1.

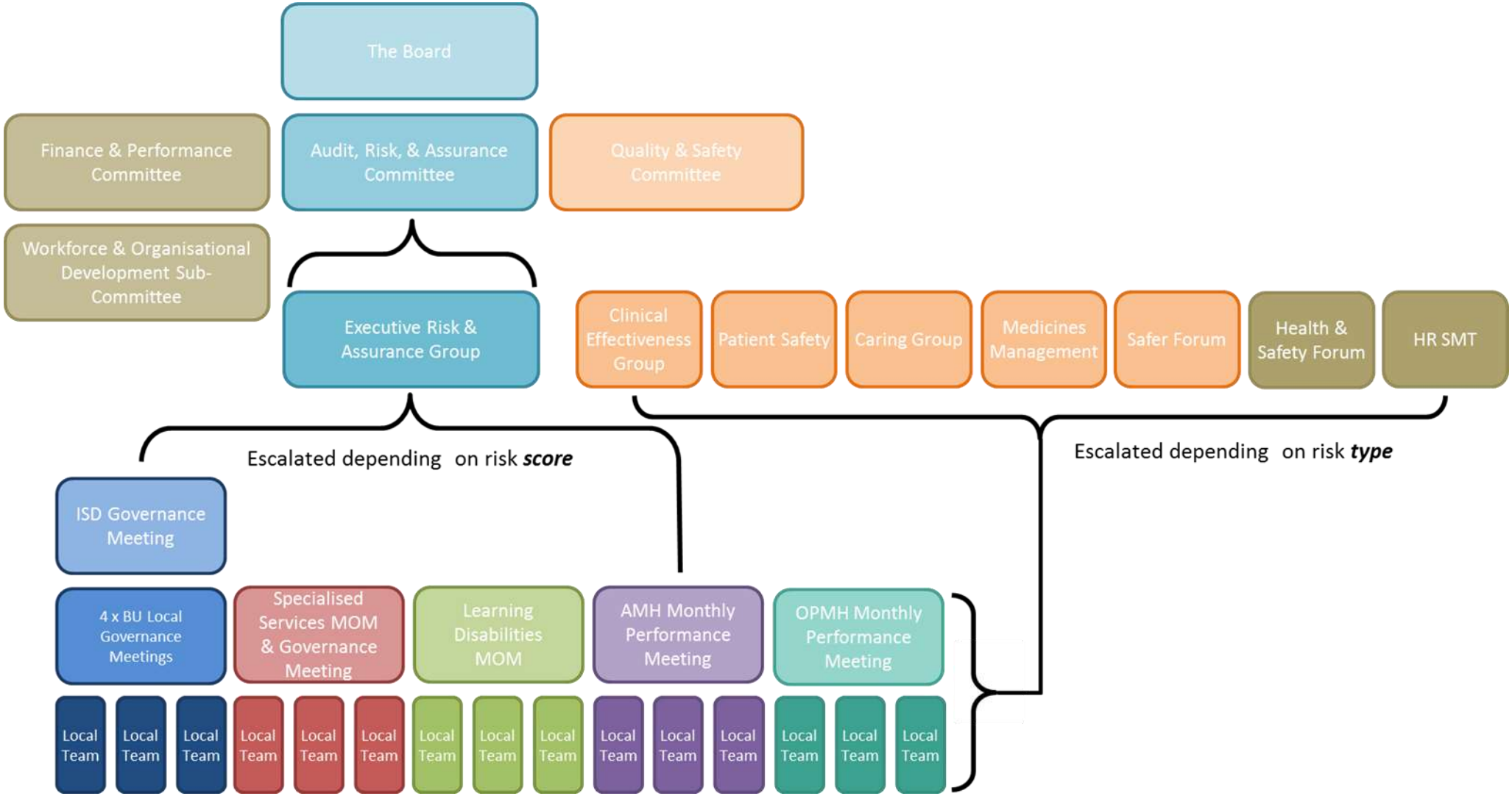
In addition, risks with an impact score of 5 (catastrophic) and likelihood of 2 (unlikely) will also be regularly reviewed at executive level.

Finally, themes and trends in reported risks will be identified and escalated as appropriate to ensure that multiple similar risks of a low impact and likelihood are not ignored.

The Trust Board has a range of committees and groups all charged with the responsibility of reviewing risks related to their terms of reference and subject matter ensuing those risks are controlled and, where necessary, escalated.

Appendix 1: Risk Management Governance Map

All risks scoring 12+ will be reviewed by the Executive Risk & Assurance Group on a bi-monthly basis, while all risks scoring 15+ will be reviewed monthly. Risks will be escalated to the appropriate quality or assurance group based on the type of risk.



Appendix 2: Risk Scoring Guidance
(as set out in the Trust's Risk Management Strategy and Policy)
Risk Impact scoring:

	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
Impact on the safety of the patient, staff or public (physical/ psychological harm)	Minimal injury requiring no/minimal intervention or treatment No time off work	Minor injury or illness, requiring minor intervention Increase in length of hospital stay by 1–3 days	Moderate injury requiring professional intervention Increase in length of hospital stay by 4–15 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Incident resulting serious injury or permanent disability/incapacity Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects	Incident resulting in fatality or multiple fatalities An event which impacts on a large number of patients
Quality/ Complaints/audit	Peripheral element of treatment or service suboptimal Informal complaint/inquiry	Overall treatment or service suboptimal Formal complaint (stage 1) Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) Local resolution (with potential to go to independent review) Repeated failure to meet internal standards	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints / independent review Low performance rating Critical report Major patient safety implications	Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on Inquest/ombudsman inquiry Gross failure to meet national standards
Human resources / organisational development / staffing / competence	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective / service due to lack of staff Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key training	Uncertain delivery of key objective / service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attending mandatory / key training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training / key training on an ongoing basis
Statutory duty / inspections	No or minimal impact or breech of guidance / statutory duty	Informal recommendation from regulator. Reduced performance rating if unresolved.	Single breech in statutory duty Challenging external recommendations / improvement notice	Enforcement action Multiple breeches in statutory duty Improvement notices Low performance rating Critical report	Multiple breeches in statutory duty / Prosecution Complete systems change required Zero performance rating Severely critical report
Adverse publicity / reputation	Rumours Potential for public concern	Local media coverage – short-term reduction inpublic confidence Elements of publicexpectation not being met	Local media coverage– long-term reduction in public confidence	National media coverage with <3 days service wellbelow reasonable public expectation	National media coverage with >3 days servicewell below reasonablepublic expectation. MP concerned (questions inthe House) Total loss of public confidence
Business objectives / projects	Insignificant cost increase/ Schedule slippage of a	<5 per cent over project budget	5–10 per cent over project budget	10–25 per cent over project budget	>25 per cent over project budget

	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
	day	Schedule slippage of a week	Schedule slippage of two to four weeks	Schedule slippage of more than a month Key objectives not met	Schedule slippage of more than six months Key objectives not met
Finance including claims	Negligible loss	Loss of less than £10,000	Loss of between £10,000 and £100,000 Failure to meet CIPs or CQUINs targets of between £10,000 and £50,000	Loss of between £100,000 and £1 million Purchasers fail to pay promptly Failure to meet CIPs or CQUINs targets of between £50,000 and £0.5 million	Loss of major contract / payment by results Loss of more than £1 million Failure to meet CIPs or CQUINs targets of more than £0.5 million
Service/business interruption Environmental impact	Loss/interruption of >1 hour Minimal or no impact on the environment	Loss / interruption of >8 hours Minor impact on environment	Loss / interruption of >1 day Moderate impact on environment	Loss / interruption of >1 week Major impact on environment	Permanent loss of service or facility Catastrophic impact on environment
Information Governance	Minor breach of confidentiality. Single individual affected	Breach with potential for theft, loss or communicating/sharing inappropriate information with between 20 – 50 people affected Theft, loss or clinical information of up to 20 people affected (unencrypted media)	Breach with potential for theft, loss or communicating/sharing inappropriate information with over 50 – 100 people affected Loss or misuse of very sensitive / confidential information relating to 2-5 persons	Serious breach with potential for theft, loss or communicating/sharing completely inappropriate information with over 100 - 500 people affected Loss or misuse of very sensitive / confidential information relating to 5-20 persons Damage to an organisation's reputation/ Local media coverage due to IG breach	Major breach with potential for theft, loss or communicating/sharing completely inappropriate information with over 500 people affected Loss or misuse of extremely sensitive / confidential information relating to over 20 people (e.g. sexual health information, along with names and addresses) Damage to NHS reputation/ National media coverage due to IG breach

Risk Likelihood scoring:

Risk Likelihood Guidance			
Likelihood score	**Descriptor**	**Frequency**	**Probability / Chance of occurrence**
1	Rare	• This will probably never happen/recur • Not expected to occur for years	< 20%
2	Unlikely	• Do not expect it to happen/recur but it is possible it may do so • Expected to occur at least annually	20%-40%
3	Possible	• Might happen or recur occasionally • Expected to occur at least monthly / bi-monthly	40%-60%
4	Likely	• Will probably happen/recur, but it is not a persisting issue/circumstances • Expected to occur at least weekly / monthly	60%-80%
5	Almost certain	• Will undoubtedly happen/recur, possibly frequently • Expected to occur at least daily	> 80%